

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 26, 2018

Jimmie Cho, Senior Vice President
Gas Operations and System Integrity
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

GI-2018-04-SDG-45

Subject: General Order (G.O.) 112-F Comprehensive Operation and Maintenance Inspection of San Diego Gas & Electric Company's Borrego Springs Liquefied Natural Gas (LNG) Facility

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F Comprehensive Operation and Maintenance Inspection of San Diego Gas and Electric Company's (SDG&E) Borrego Springs Liquefied Natural Gas Facility (Inspection Unit) on April 24-26, 2018. SED's staff used Pipeline and Hazardous Material Safety Administration's (PHMSA) Inspection Assistant (IA) protocols as a reference guideline. The inspection included a review of the Inspection Unit's leak survey, cathodic protection (CP), critical valves, and LNG facility inspection records from calendar years 2015-2017 as well as field inspections of all facilities. Also, SED's staff reviewed the Inspection Unit's Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED's staff had one recommendation which is described in the enclosed "Summary of Inspection Findings".

Please provide a written response within 30 days of your receipt of this letter indicating the measures taken by SDG&E to address observations noted in the Summary of Inspection Findings.

If you have any questions, please contact Michelle Wei, at (213) 620-2780 or by email: miw@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Michelle Wei, SED/GSRB
Troy Bauer, Sempra
Kan Wai Tong, SED/GSRB
Kelly Dolcini, SED/GSRB

Summary of Inspection Findings
2018 SDG&E Borrego Springs LNG Inspection
April 24-26, 2018

SED's Concerns and Recommendations

SDG&E must comply with several different points of regulation when refilling the LNG tanks at the facility. SED noted that while SDG&E has adequate procedures in place to address these regulations, the record keeping process is only a sign off sheet that assumes the many steps were followed correctly. In contrast, the facility site inspection has a checklist showing all the points that an employee would need to review to make it a complete inspection and helps ensure that he or she does not miss anything. SED recommends that SDG&E develop a record keeping method or checklist that validates that the employee did not miss safety steps during the filling or transfer process the LNG commodity as well as being able to demonstrate to regulators that the necessary steps were followed.